

**JOINT EVALUATION REPORT ON EMPLOYMENT
GUARANTEE SCHEME OF MAHARASHTRA - 1980**

1. The Study

Though the Employment Guarantee Scheme (EGS) of the Government of Maharashtra had been lunched in May, 1972, the first serious effort to organise EGS works was initiated only after the State Assembly approved in December, 1974 the Government Resolution reiterating its recognition to the 'right to work' embedded in the Directive Principles of the Constitution of India. EGS was conferred statutory status in January, 1979. A fundamental premise of the Scheme was that works should be undertaken to provide employment, gainful to the workers and productive to the economy, to all unskilled job-seekers in the rural areas in such a way that agricultural operations would not be adversely affected. The works were to be confined to productive ones like those relating to minor irrigation, soil conservation, land development, road development in hilly and unaccessible areas, etc. which could result in creation of durable community assets. Also, the works were to have 60% of their total cost as cost on unskilled labour and be departmentally implemented. A three-tier set-up consisting of the Planning Department at the State level, the Collector assisted by a Deputy Collector at the district level and the Tehsildar at the Panchayat Samiti level was evolved for the execution of the EGS works. Other facilitatory arrangements like manpower, budgets, registering authorities for the registration of work-seekers, blue-prints of productive works to be prepared for each Panchayat Samiti, Committees for planning, direction, control, co-ordination and evaluation at the State, district and Panchayat Samiti levels and a separate fund called "Employment Guarantee Fund" to finance the scheme were envisaged.

The evaluation study of the scheme was jointly conducted by the Programme Evaluation Organisation (PEO) of the Planning Commission and the Directorate of Economics and Statistics (DES), Government of Maharashtra during 1976-78 covering three salient areas of investigation, i.e. planning of rural works, the organisation for execution of works and the response of labour.

2. Objectives

- i) To provide a description of the methods actually adopted in the field for achieving the prescribed scheme objectives;
- ii) To assess how far the methods adopted were proving effective for the attainment of these objectives;
- iii) To analyse the factors on which the effectiveness depends;
- iv) To suggest action, if any, at the Government, District or Taluka level, relating, inter alia, to the aggregate and spatial coverage, wage payment, coordination and administration, identification of EGS works into sectoral plans as well as with local district plan, release and utilisation of funds and progress reporting and review.

3. Sample Size/Criteria for Selection of Sample

The sample consisted of four districts, viz. Nasik, Sholapur, Beed and Bhandara representing the three regions (Western Maharashtra, Marathwa and Vidarbha), a talukas, 155 villages, 244 works and 3404 beneficiary households.

The districts were arranged regionwise and ranked according to certain significant socio-economic indicators. Four districts with the highest (or higher) ranks were selected from the three regions. Two Talukas were selected from each of the above districts according to the ranks given on such considerations as the intensity of EGS works and labour attendance, registration of work-seekers, variety of works undertaken, pressure of population on land and the extent of development of agriculture. The sample of 244 works could be decomposed into 87 works in progress (as on 1.7.1976), 38 non-started works, 24 temporarily stopped works, 15 abandoned works and 80 completed works, all selected through systematic sampling from a total of 1368 works each costing more than Rs.5000. Two villages were selected with reference to each selected works in progress. Some selected villages were common to two or more selected works. A sample of 30 households per selected village was taken by selecting 10 households each from (i) participating target group and (ii) non-participating target group and 5 households each from (iii) Participating non-target group, and (iv) non-participating non-target group.

4. Reference Period

The data collected for the study related mostly to the period, 1974-75 to 1977-78.

5. Main Findings

1. The instruction to restrict the size of the blueprint for a district to Rs. 3 crores was clearly violated. For instances, the blueprint for the Solapur district was more than Rs. 45 crores and those for Beed and Bhandara were above Rs. 30 crores. Blueprints comprised of 47% original EGS works, 31% plan works and 21% scarcity works.

2. Of the 3364 works as on 1st April 1976, 1193 works were completed ones, 1190 were not started, 704 were in progress, 262 were temporarily stopped and the remaining 15 were abandoned. The position improved on 1st April, 1978 with the completion of a total of 2355 works. Of the total expenditure incurred on completed works, 53% was on percolation tanks.

3. Out of the 38 sample works which had not been started, 12 could not be started because of the presence of other public works in the vicinity of the proposed locations, while another 24 could not be started due to the delay in the technical sanction of works, lack of equipments and some administrative difficulties. 31 of these 38 works were started by April 1st, 1978. However, out of 87 selected works which had been in progress, as many as 78 were not completed even by 1st April, 1978. The factors like uncertainty in the availability of labour on a continuous basis, late or non-payment of land compensation, ban on payment of land compensation from the EGS funds, predominance of female workers and non-availability of equipments dampened the progress of works.

4. Out of the selected 24 temporarily stopped works, 7 belonged to the irrigation group and 14 to the soil conservation group. Sanction for restart of works was obtained in more than 50% of the selected works. However, the period earmarked for completion of projects was kept open. Abandonment of works was due either to the lack of technical feasibility or to the submergence and non-availability of land.

5. 74 out of 80 completed works were completed as per or ahead of the schedule. Surprisingly, some works were completed even before the full estimated cost had been incurred. 10 completed works, mostly belonging to the soil conservation group, exceeded the estimated cost.

6. In work participation, females dominated in 52 out of 87 selected works. These were mostly major and medium irrigation works, minor irrigation tanks and flood control works. Female participation was low in works relating to percolation tanks and road construction and nil in forest works.

7. Considerable variation was shown in the extent of benefits derived from the different categories of the completed works. No benefit was reported from two of three selected minor irrigation works. Nearly 50% of the percolation tanks did not create any tangible benefits. More than 70% of the expected benefits was realised from contour bunding works, although no change in the cropping pattern was reported. In 5 out of 8 selected works of terracing, benefits were realised. Full benefits were realised from most of the land development works.

8. Absence of complementary investments in the form of construction of wells, land levelling and land shaping, etc. resulted in sub-optimal use of the created potential. 25% of the completed works were poorly maintained. For want of adequate funds for maintenance, the Zila Parishads were reluctant to accept the transfers of completed works to them.

9. An expenditure of Rs.216 crores was incurred on the EGS since its inception upto February, 1979. It resulted in the generation of 56.27 crore mandays of employment. Despite instructions to the contrary, the share of road works in total expenditure on the EGS shot up to 22% in 1978-79 from 5.7% in 1974-75, while the share of works contributing to land productivity including irrigation works, came down from 93% to 75% during the same period.

10. Among landless agricultural labourers, more people were available for employment throughout the year than for seasonal employment. The converse was true to cultivators who sought employment.

11. The number of persons per household requiring employment was 1.89 for the target group and 1.38 for the non-target group. While the EGS could provide only for

43% of the mandays of employment required by the target group, the corresponding figure for the non-target group was 51%. The reason for the non-target group snatching away a large chunk of benefits of the employment generated could be that, since the EGS was seasonal in nature, it catered more to those who were in the lookout for seasonal employment than to the likes of landless agricultural labourers and small cultivators who pined for employment throughout the year.

12. Attendance was higher in scarcity works than in EGS works to the extent of 60%. This was due to the greater presence of the landless agricultural labourers in the former.

13. The proportion of mandays of employment received was only about 47% of the number of mandays of employment required. Data also revealed that the EGS could meet better the employment requirements of longer duration than those of shorter duration. This speaks of the importance of the EGS to those who really needed work.

14. The average wage earned per-day was 18% higher on the EGS works than on other works. However, the EGS wages did not vary with variations in the duration or kind of work.

15. Attraction of better wages, non-availability of other works, availability of continuous, soft work close to the village of residence and timely payment of wages were the factors which stimulated participation in the EGS works. However, non-payment of daily wages held the landless agricultural labourers, who had a hand-to-mouth existence, back from participating in the EGS works.

16. The data collected from 19006 workers employed in 25 selected works revealed that 45% of the workers came from the work-site villages and 26 per cent from the villages located within a radius of 5 kms from the work site villages. The remaining 29% were from longer distances. Also was revealed that the proportion of workers hailing from longer distances declined slightly with increase in age and that distance was not a factor affecting abstention from work or output of the worker. Despite high rate of abstention in the non-target group

households compared to those in the target-group, the total average earnings of the former were more as compared to earnings of the target-group households. Instances of bigger cultivators travelling long distances for wage employment were also recorded. Further, the data collected from 12% of the households in the selected 25 works showed that 3 persons in each household mustered 31% of the total attendance in those works and shared above 32% of the total wages disbursed during the period of observation. The total wage earnings of a household from which only 1 person received employment was Rs. 100 on an average.

17. Of the EGS wage-earning households, 63% and 65% respectively from the target and non-target groups attributed the increase in their expenditure, especially on food and clothing, to the EGS earnings. Only non-participating households recorded increase in expenditure on education and entertainment.

18. The recipients of longer duration employment tended to acquire farm assets while those of shorter duration employment acquired household assets. The percentage of beneficiary households acquiring household assets and financial assets (Savings) out of the EGS earnings was negligible.

19. The sample data suggested that 91% of the households which made use of the assets created by the EGS works were cultivators and another 6% were agricultural labourers. The beneficiaries of EGS assets were largely medium and big cultivators. Small and marginal farmers constituted only 21% of the user households. 5% of the user households belonged to the Scheduled Castes, 5% to Scheduled Tribes and the remaining 90% to other castes.

20. About 35% of the total operational holdings of the respondents was benefited by the EGS asset creation. The area benefited under land development works and percolation tanks constituted 74% of the total area benefited. Contour bunding, Nalla bunding and minor irrigation tanks also produced tangible benefits.

21. Although the operational holdings of smaller cultivators (having holdings below 2 hectares) were largely benefited, yet their actual share in the total benefited area was barely 9%.

22. The impact of the EGS works was felt in higher agricultural production, but not in any sizeable increase in the cultivated areas. About 78% of the selected user households reported an increase in agricultural production to the extent of 25% due to the use of EGS assets. About 40% of the cultivators started raising new crops.

23. The completion of percolation tanks and nalla bunding ensured regular availability of water throughout the year in 91 wells which did not have water available throughout the yester year. The regular availability of water and the rise in the level of water in the existing wells induced the construction of new wells. No rise in water level was reported in some cases.

24. There was greater increase in employment in 'part time jobs' than in full-time employment. Within the former category, the increase in hired labour was four times higher than that of family labour. Negative employment were also reported in some cases.

25. The additional employment generated resulted in additional earnings to the beneficiary households. 427 households attributed increase in their expenditure to the EGS assets while 283 households credited improvements in the quality of their consumption to the EGS assets. Out of 480 households which reported repayment of their loans, 335 were enabled to do so through increased earnings from the EGS works. Again, out of 831 households reporting assets formation, 558 attributed the same to EGS earnings. The prominent type of assets created were farm assets.

26. Better utilisation of drought animals, agricultural implements and machinery, enrolment as members of sugar co-operative factories and better creditworthiness in the village were some of the indirect benefits conferred on beneficiary households.

27. Some households reported complementary investment on construction of wells and installation of pump sets. Of the 35 households which installed pumpsets on wells after the commissioning of the EGS works, 28 attributed the investment due to the rise in water level in their wells.

6. Major Suggestions

1. Blue-prints of works should invariably include operative projects backed by certain degree of survey and scrutiny regarding feasibility and desirability of implementation.

2. The Government of Maharashtra should review the existing arrangements for land acquisition and provide for early payment of compensation, particularly to those who willingly surrender their land.

3. The State should consider the feasibility of recovering the expenditure incurred on the maintenance of irrigation works from cultivators in proportion to their areas benefited from these works. Entrusting the maintenance of these works to the Maintenance Division of the Irrigation Department should also be considered.

4. Restrictions should be imposed on the number of persons per household who can be offered employment in EGS works.

5. A scheme under which a small portion of the EGS earnings can be credited to the individual accounts of the workers in some financial institutions should be contemplated. The amount can be made available to them in due course in the form of milch cattle, sewing machine, bullocks, etc.